

11/22/02

12-12-2002

Form PTO-1594

(Rev. 03/01)

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DEPARTMENT OF COMMERCE
S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Kids Line, LLC
CPC/KL Holdings, LLC

- ☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☐ Corporation-State
☒ Other Delaware Limited Liability Companies

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Other _____

Execution Date: March 15, 2002

2. Name and address of receiving party(ies)

Name: General Electric Capital Corporation

Internal

Address: _____

Street Address: 350 S. Beverly Dr. Ste. 200City Beverly Hills State: CA

- ☐ Individual(s) citizenship _____
☐ Association _____
☐ General Partnership _____
☐ Limited Partnership _____
☒ Corporation-State Delaware
☐ Other _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: ☐ Yes ☐ No

(Designations must be a separate document from assignment)

Additional name(s) & address(es) attached? ☐ Yes ☐ No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

2,177,304

76/126749

Additional number(s) attached ☐ Yes ☒ No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Murphy Sheneman Julian & RogersInternal Address: Bryan Snyder, ParalegalStreet Address: 2049 Century Park East

Suite 2100

City: Los Angeles State: CA Zip: 900676. Total number of applications and registrations involved: 27. Total fee (37 CFR 3.41).....\$ 65⁰⁰

- ☐ Enclosed
☒ Authorized to be charged to deposit account

8. Deposit account number:

20-0052

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Bryan Snyder, Paralegal

Name of Person Signing

Signature

November 21, 2002

Date

Total number of pages including cover sheet, attachments, and document: 8Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

11/2002-10100E

00000121 200082

2177304

FC:8521
FC:852240.00 CH
25.00 CHTRADEMARK
REEL: 002631 FRAME: 0907

PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT

THIS PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Agreement"), dated as of March 15, 2002, is made by CPC/KL Holdings, LLC, a Delaware limited liability company ("Borrower"), and KIDS LINE, LLC, a Delaware limited liability company ("KL Delaware") (Borrower and KL Delaware, collectively referred to herein as "Grantors" and each individually as a "Grantor"), in favor of GENERAL ELECTRIC CAPITAL CORPORATION, a Delaware corporation, as agent (in such capacity, "Agent") for the lenders ("Lenders") from time to time parties to the Credit Agreement (as defined below).

RECITALS

A. Pursuant to that certain Credit Agreement dated as of the date hereof, by and among Grantors, the other credit parties party thereto, Agent and Lenders (including all annexes, exhibits and schedules thereto, and as from time to time amended, restated, supplemented or otherwise modified, the "Credit Agreement"), Agent and Lenders have agreed to make Loans to, and extend credit for the benefit of, Borrower.

B. In order to induce Agent and Lenders to extend the financial accommodations as provided for in the Credit Agreement, Grantors have agreed to execute and deliver to Agent, for the benefit of Agent and Lenders, that certain Security Agreement of even date herewith made by Grantors in favor of Agent, for the benefit of Agent and Lenders (as amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement").

C. Pursuant to the Security Agreement, Grantors are required to execute and deliver to Agent, for the benefit of Agent and Lenders, this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor and Agent hereby agree as follows:

1. Definitions. Unless otherwise defined herein, capitalized terms or matters of construction defined or established in Annex A to the Credit Agreement shall be applied herein as defined or established therein. All other undefined terms contained in this Agreement, unless the context indicates otherwise, shall have the meanings provided for by the Code to the extent the same are used or defined therein.

2. Grant of Security Interest in Intellectual Property Collateral. To secure the prompt and complete payment, performance and observance of all of the Obligations, each Grantor hereby grants, assigns, conveys, mortgages, pledges, hypothecates and transfers to Agent, for the benefit of Agent and Lenders, a Lien upon all its right, title and interest in, to and under the following property, whether now owned by or owing to, or hereafter acquired by or arising in favor of, such Grantor (including under any trade names, styles or divisions of such Grantor), and regardless of where located (collectively, the "Intellectual Property Collateral"):

(a) all of such Grantor's Patents and Patent Licenses to which it is a party, including those referred to in Part A to Schedule I hereto;

(b) all of such Grantor's Trademarks and Trademark Licenses to which it is a party, including those referred to in Part B to Schedule I hereto;

(c) all of such Grantor's Copyrights and Copyright Licenses to which it is a party, including those referred to in Part C to Schedule I hereto;

(d) all goodwill, trade secrets, proprietary or confidential information, technical information, procedures, formulae, quality control standards, designs, operating and training manuals, customer lists, and other General Intangibles with respect to the foregoing; and

(e) all Proceeds of the foregoing, including (i) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to any Person from time to time with respect to any of the foregoing, (ii) any and all payments (in any form whatsoever) made or due and payable to any Person from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the foregoing by any Governmental Authority (or any Person acting under color of Governmental Authority), (iii) any claim of any Person against third parties for (A) past, present or future infringement of any Patent or Patent License, (B) past, present or future infringement of any Copyright or Copyright License, (C) past, present or future infringement or dilution of any Trademark or Trademark License, or (D) injury to the goodwill associated with any Trademark or Trademark License, (iv) any recoveries by any Person against third parties with respect to any litigation or dispute concerning any of the foregoing, and (v) any and all other amounts from time to time paid or payable under or in connection with any of the foregoing, upon disposition or otherwise.

Notwithstanding the generality of the foregoing, the "Intellectual Property Collateral" expressly excludes any application to register any trademark, service mark or other mark prior to the filing under applicable law of a verified statement of use (or the equivalent) for such trademark, service mark or other mark, if the creation of a Lien thereon would void or invalidate such application, trademark, service mark or other mark.

3. Security Agreement. The Lien granted pursuant to this Agreement is granted in conjunction with the Liens granted to Agent, for the benefit of Agent and Lenders, pursuant to the Security Agreement. Each Grantor hereby acknowledges and affirms that the rights and remedies of Agent with respect to the Liens granted under this Agreement are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

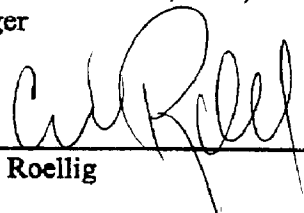
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IN WITNESS WHEREOF, the parties have executed this Patent, Trademark and Copyright Security Agreement as of the date first set forth above.

"Grantors"

CPC/KL HOLDINGS, LLC, a Delaware limited liability company

By: Century Park Advisors, LLC,
its Manager

By: 
Charles Roellig
Partner

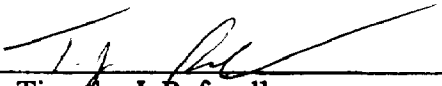
KIDS LINE, LLC, a Delaware limited liability company

By: 
Michael Levin
Chief Executive Officer

Agreed and Acknowledged by:

"Agent"

GENERAL ELECTRIC CAPITAL
CORPORATION

By: 
Timothy J. Rafanello
Duly Authorized Signatory

SCHEDULE I
to
PATENT, TRADEMARK AND
COPYRIGHT SECURITY AGREEMENT

PART A
PATENTS AND PATENT LICENSES

<u>Patent</u>	<u>Patent No.</u>	<u>Date of Reg.</u>
bassinet carriage and rocker	388,973	January 13, 1998

The above patent designation owned by KL California, will be assigned by KL California to KL Delaware as of the Closing Date (the "Patent Assignment").

PART B
TRADEMARKS AND TRADEMARK LICENSES

	<u>Mark</u>	<u>Serial/Reg. No.</u>	<u>Date of Reg.</u>
1.	Bebe Fina®	2,177,304	July 28, 1998
2.	Kids Line	76/126749	September 12, 2000

Trade Marks

1. The Bebe Fina® trademark will be assigned to KL Delaware as of the Closing Date.
2. L'il Kids™ (common law trademark) – will be assigned by KL California to Kids Line as of the Closing Date.

Trade Names

1. Kids Line, LLC – name as in certificate of formation filed with California Secretary of State
2. Kids Line
3. Li'l Kids™
4. Bebe Fina®
5. KidsLine

PART C
COPYRIGHTS AND COPYRIGHT LICENSES

KL California

Copyrights

1. Licensing Agreement Addendum, dated as of May 23, 2000 (the "Eisner Addendum"), by and between Viv Eisner ("Eisner") and KL California, which amends and restates that certain Licensing Agreement, dated as of July 23, 1997, by and between Eisner and KL California. Pursuant to the Licensing Addendum, Eisner grants KL California a worldwide exclusive license to use all images created by Eisner for the production, sale and promotion of the "Licensed Products" listed in Section 2 thereof. KL California will assign all of its rights under the Addendum to Kids Line as of the Closing Date. KL California has entered into that certain Licensing Agreement Addendum, dated as of March 5, 2002 (the "Eisner Amendment"), pursuant to which Eisner consented to KL California assigning its rights under the Eisner Addendum to Kids Line.
2. License Agreement, dated as of October 1, 2000 (the "Sony License Agreement"), by and between Sony Music, a Group of Sony Music Entertainment, Inc. ("Sony"), and KL California, pursuant to which Sony grants KL California a license to use copyrights and trademarks for property called "Rainbow Fish" based upon a series of children's books and which is being developed into a children's television series in connection with the manufacture, distribution, sale and advertisement of certain merchandise articles listed on Schedule A thereto via the distribution channels listed in Section 2(a) thereof. Sony's license grant to KL California is exclusive with regard to infant bedding items listed on Schedule A thereto and non-exclusive with respect to miscellaneous items listed on Schedule A thereto. KL California will assign all of its rights under the Sony License Agreement to Kids Line as of the Closing Date; however, Sony's consent to such assignment is required.*
3. Artwork License Agreement, dated as of June 29, 1999 (the "Faw License Agreement"), by and between the KL California and Jenny Faw Designs Inc., a New York corporation ("Jenny Faw"), pursuant to which Jenny Faw grants KL California a worldwide exclusive license to use "Avalon" and "Buggy Bugs" design materials in connection with the manufacture, distribution, advertisement, promotion and sale of all infant bedding and accessory products listed in Schedule A-2 thereto. KL California will assign all of its rights under the Faw License Agreement to Kids Line as of the Closing Date; however, Jenny Faw's consent to such assignment is required.*
4. Manufacturing and Distribution License Agreement, dated as of January 31, 2001 (the "Schurman License Agreement"), by and between Schurman Design, a division of Schurman Fine Papers, and KL California, pursuant to which Schurman Design grants to KL California

an exclusive license to use certain designs, characters and other artwork owned by Schurman Design listed on Schedule A thereto in connection with the manufacture, distribution and sale of infant and toddler bedding and related accessories worldwide except for Japan. KL California will assign all of its rights under the Schurman License Agreement to Kids Line as of the Closing Date; however, Schurman's consent to such assignment is required.*

5. License Agreement, dated as of September 1, 1999 (the "Mumm License Agreement"), by and between Mumm's the Word, Inc., a Washington corporation ("Mumm") and KL California, pursuant to which Mumm grants KL California an exclusive license (except as noted on Exhibit B thereto) to use certain designs and artwork listed in Exhibit A thereto in the products which are listed in Exhibit B thereto and which are manufactured, marketed and sold by KL California in North America and the Middle East to Department Stores, Babies R Us, Toys R Us, Burlington Coat Factory/Baby Depot, Buy Buy Baby, JC Penney (catalog and store), Sears Canada, Gift Retailers and Specialty Retailers. KL California will assign all of its rights under the Mumm License Agreement to Kids Line as of the Closing Date; however, Mumm's consent to such assignment is required.*
6. Agreement, dated as of March 22, 2001 (the "Flavia License Agreement"), by and between The Flavia Company, Inc., a California corporation ("Flavia"), and KL California, pursuant to which Flavia grants KL California a license for use of All "Flavia®Baby" and "Flavia®" in connection with the manufacture, distribution and sale of the products listed in Schedule B via all distribution channels other than the Internet, QVC, HSN and fundraising channels located in the United States and its territories, Canada and Israel. KL California will assign all of its rights under the Flavia License Agreement to Kids Line as of the Closing Date; however, Flavia's consent to such assignment is required.*
7. License Agreement, dated March 8, 2000 (the "Miles License Agreement"), by and between KL California and Elizabeth Miles, pursuant to which Elizabeth Miles grants KL California an exclusive worldwide license to manufacture, use or sell products incorporating the products listed on Exhibit A thereto. KL California will assign all of its rights under the Miles License Agreement to Kids Line as of the Closing Date; however, the consent of Elizabeth Miles to such assignment is required.*
8. License Agreement, dated as of March 20, 2001 (the "Moorehead License Agreement"), by and between Morehead, Inc., a Kansas corporation ("Morehead"), and KL California, pursuant to which Morehead grants KL California a license for the use of certain designs set forth in Appendix A thereto in connection with the manufacture, sale and distribution of infant bedding and accessories listed in Appendix B thereto in the United States, Canada, Mexico, Israel and the Middle East (provided, however, that KL California's marketing is limited to wholesale and retail distribution channels). Morehead's license grant to KL California is exclusive with

respect to designs from the Endangered Young'uns and Natures Young'uns categories for use in the products listed in Appendix B thereto with respect to such designs in the United States, Canada, Mexico, Israel and the Middle East (provided, however, that KL California's marketing is limited to wholesale and retail distribution channels). KL California will assign all of its rights under the Moorehead License Agreement to Kids Line as of the Closing Date; however, Morehead's consent to such assignment is required.*

9. Assignment Agreement, dated as of June 30, 2001, by Beatrice Trezevant-Hatt ("Hatt") in favor of KL California, pursuant to which Hatt assigned all of Hatt's worldwide right, title and interest in the Design described on Exhibit A thereto to KL California. KL California will assign its rights under the Assignment Agreement to Kids Line as of the Closing Date.
10. Design Services Agreement, dated as of February 12, 2001, by and between Carmel O'Mara Horwitz ("Horwitz") and Kids Line, pursuant to which Horwitz agreed to develop or create designs for KL California and that KL California would be the sole owner of all rights to any such designs. KL California will assign its rights under the Design Services Agreement to Kids Line as of the Closing Date.

* Consents will be obtained post-closing.